

Approved For Release 2007/03/07

CIA-RDP79T00975A029100010036-9

Top Secret

(Security Classification)

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NATIONAL INTELLIGENCE DAILY CABLE

Thursday July 22, 1976 CI NIDC 76-171C

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NATIONAL SECURITY INFORMATION
Unauthorized Disclosure Subject to Criminal Sanctions

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State Dept. review completed

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Approved For Release 2007/03/07 : CIA-RDP79T00975A029100010036-9

Table of Contents

LEBANON: Situation Report

25X1

USSR: Food Shortages

25X1

TURKEY-NATO: Montreux Convention

TURKEY: Ecevit to Visit US

NORWAY-USSR: Svalbard

25X1

SOUTH AFRICA: Schools Reopen

25X1

KUWAIT: Purchasing US Stocks

25X1

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National Intelligence Daily Cable for Thursday July 22, 1976.

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[REDACTED] The NID Cable is for the purpose of informing senior US officials.

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LEBANON: Situation Report

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[REDACTED] Syrian President Asad warned the Palestinians during a speech Tuesday night that Syria will not withdraw from Lebanon unless asked to do so by President Franjiyah or "other legal Lebanese authorities." In an apparent effort to counter charges that the Christians are trying to partition the country, Asad alleged that some Palestinian leaders are trying to create a "North Palestine" in southern Lebanon.

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[REDACTED] Although Asad did not go beyond what he has often said in private and amply demonstrated militarily, the speech is being widely interpreted as evidence that his attitude toward the Palestinians is hardening. It was the strongest and most explicit public affirmation to date of Syrian policy in Lebanon.

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[REDACTED] Palestinian leaders reportedly are angry over the speech. Nevertheless, they reportedly sent their representative, Faruq Qaddumi, to accompany Libyan Prime Minister Jallud and a small delegation that left for Syria early yesterday. Qaddumi was to have gone to Syria on Tuesday, but was suddenly called back to Beirut.

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[REDACTED] The delegation reportedly has been instructed only "to listen and transmit." After Asad's speech there is little chance it will even try to break the stalemate. The Palestinians plan to issue a formal response today to Asad's speech, and this may further disrupt attempts to start a dialogue.

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[REDACTED] An agreement between Christian and Palestinian leaders to establish a buffer zone between the Muslim and Christian sectors of Beirut was partially implemented yesterday when a Saudi contingent of the Arab League security forces took up positions at the major cross-over point. The commander of the contingent has cautioned that the area is not totally secure, but by late yesterday some Beirut residents were venturing across the line.

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[] Heavy fighting yesterday at Tall Zatar refugee camp prevented the scheduled evacuation of the wounded and those inside the camp wishing to surrender. Heavy artillery fire from virtually all suburbs surrounding the camp reportedly forced the International Red Cross evacuation team to postpone the mission.

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[] The most intense battles yesterday were in central Lebanon. Christian forces are trying to recapture the villages of Aynturah, Tarshish, and Mutayn, which have been controlled by the Palestinians and leftists for months. The Syrians are supporting the Christian effort by shelling Palestinian-controlled territory around Hammana and Hazzirta.

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[] Syrian forces continued their bombardment of Tripoli and Nahr al-Barid refugee camp. They reportedly have launched an attempt to take Muslim villages near Turbul Mountain, which overlooks the Christian city of Zagharta. Muslim defenders of the villages are reportedly putting up stiff resistance, and the Syrian advance has temporarily bogged down.

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[] In southern Lebanon, two local employees of the US embassy in Damascus on their way to Beirut ran into trouble at a checkpoint near Marj Ayun manned by members of the renegade Lebanese Arab Army. The men were reportedly interrogated and beaten, and the official pouches they carried were apparently opened. We have no other reports of disturbances along the proposed US evacuation route. []

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USSR: Food Shortages

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[redacted] US embassy officers visiting this month and last such diverse Soviet cities as Tallinn, Volgograd, Tashkent, and Irkutsk report food shortages similar to, or worse than, those observed a month or two earlier.

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[redacted] Although vegetables and fruit are becoming available from this year's harvest, shortages of meat, eggs, and butter are spreading. Residents in small towns throughout the country say these products are either very difficult to find or "totally unavailable."

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[] Since last winter, consumers have suffered the worst food shortages in more than a decade, and meat shortages, at least, will continue. Meat processing in June was down 29 percent from a year ago, and conditions are not expected to improve before fall.

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[] Sausage--a favorite meat product--is still in short supply, despite attempts to make the most of available meat by adding dried milk, protein extracts, and potato and wheat flour to the sausage.

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[] There have been no major disturbances over the food shortages, although grumbling appears to be particularly bitter this summer. The failure to purchase substantial quantities of foreign meat--a relatively simple solution to one shortage--suggests the leadership does not believe civil disorder is imminent. Soviet diets have improved markedly over the past decade, and, despite current problems, there is no hunger. The population will still be eating more meat than in 1970.

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TURKEY-NATO: Montreux Convention

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[REDACTED] //Turkey's European NATO allies are concerned over the long-term implications of Ankara's decision to permit the Soviet aircraft carrier Kiev to transit the Turkish Straits on Sunday. Moreover, they are annoyed that Ankara did not notify them in advance of the carrier's passage, which the Turks reportedly had known about for 10 days.//

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[REDACTED] //Under the 1936 Montreux Convention governing the use of the straits, Turkey is responsible for regulating naval traffic. The UK, one of the Convention signatories, argues that the agreement prohibits transit by a carrier. Hoping to sidestep the issue, Ankara accepted the Soviet designation of the Kiev as an anti-submarine warfare "cruiser," which can transit the straits according to the Convention.//

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[REDACTED] //The British believe that Moscow's action may portend an effort to replace the current agreement. Mindful of Ankara's more conciliatory stance toward Moscow recently, Britain has cautioned that the Soviets suggested in 1946 that "the straits should be defended by the joint action of Turkey and Russia." The British position that Turkey should not have let the carrier transit the straits was supported by several European allies at a NATO meeting last week. Ankara said that it did not object to a discussion in NATO of the military implications of the Kiev's passage but did not intend to discuss the transit issue itself with the NATO allies.//

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[REDACTED] //In a NATO meeting earlier this week, the Turkish ambassador defended Ankara's failure to notify the allies in advance, claiming that it wanted to avoid a Soviet charge that Ankara consulted non-signatory powers on substantive questions relating to the Convention.//

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[REDACTED] //The allies will discuss the Kiev incident following presentation later this week of a NATO report on the military implications of the transit. [REDACTED]

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TURKEY: Ecevit to Visit US

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[] Turkish opposition leader and former prime minister Bulent Ecevit begins a 10-day visit to the US on Sunday. He is one of Turkey's most effective politicians, but his public stature has slipped somewhat in recent months.

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[] Ecevit's ability to recapture public approval and tighten control over his Republican People's Party will have an important impact on the party's chances in the October 1977 parliamentary elections.

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[] The 52-year-old Ecevit's strong leadership qualities have largely compensated for his vague political philosophy probably best described as a Turkish version of European social democracy. He believes that the Turkish political system must involve the people more directly in the political process but does not define further the left-of-center course he charted for his party in the late 1960s.

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[] On international issues, Ecevit leans toward the West. He subscribes to Ataturk's goal of making Turkey a modern Western state, but his approach to the West is at times ambivalent. Ecevit appears to share some of his party's traditional antipathy for the US--based on the supposed US preference for the rival Justice Party--and seems susceptible to third-world rhetoric ascribing to the US imperialism, colonialism, and racism. While he concedes that the US is Turkey's most important ally, he seems to find the idea disquieting.

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[] On the Aegean problem, Ecevit is outspoken if not chauvinistic in his criticism of the Demirel government's "softness" in pressing Turkey's claims. Ecevit has been more restrained on the Cyprus question, but he has declined to give Demirel assurances that he would support any concessions necessary to achieve a settlement.

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[] Ecevit's career hit a high during the July 1974 Turkish invasion of Cyprus and its immediate aftermath. Named prime minister after a strong showing in the fall 1973 parliamentary elections, he was in undisputed control of his party and respected if not revered throughout the country for his ability to assert Turkey's position during the Cyprus crisis.

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[] He was toppled from power by an unpredictable coalition partner that fall, however, and was unable either to organize another coalition or to find support for early elections. After failing to secure new elections--which he had hoped would allow him to capitalize on his Cyprus-derived popularity--Ecevit reconciled himself to leading the parliamentary opposition.

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[] Ecevit's performance as opposition leader has been mixed. At times he has been an articulate critic of the government, perceptibly influencing government policies on Cyprus and the Aegean. At other times, particularly in recent months, the opposition's attacks on the government have seemed ill-planned and sometimes irresponsible.

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[] By this spring it was evident that strains resulting in part from the opposition's ineffectiveness had led to growing factionalism in the Republican People's Party. It is unclear whether Ecevit is fostering the divisions for his own purposes or is simply unable to control the situation. His only recent involvement in the feuding among center, right, and left factions was a vague appeal for a lessening of tensions. On the other hand, he has increasingly devoted himself to projecting the image of shadow prime minister, meeting with national leaders and traveling abroad.

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[] Ecevit has come under increasing criticism for his "hands off" attitude toward intra-party affairs, although his position as party leader does not appear to be in danger. All factions seem to recognize that there is no other figure in the party who commands the same popular support. Until Ecevit or someone else restores order and unity to the party, however, its chances of coming to power will be markedly reduced. []

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NORWAY-USSR: Svalbard

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[] Norway has stepped up its campaign to exert more control over Soviet activities on Svalbard, Oslo's strategically located dependency in the Arctic.

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[] Prime Minister Nordli paid a rare four-day visit early this month to a number of small settlements in the archipelago,

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including the Soviet community of Barentsburg. He said his government intends to improve and strengthen its administration of Svalbard and plans to invest \$200 million in a new coal mining project there. As recent as 1973 the total Norwegian investment in the Svalbard coal industry was only about \$4 million.

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[redacted] Nordli told a Soviet audience in Barentsburg that his visit was just a routine tour of "one of our islands" and noted that the Spitzbergen Treaty of 1920 gave Norway full sovereignty over the archipelago.

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[redacted] //The Soviets have tended to ignore Norwegian administrative regulations, and it was this history of noncompliance that Nordli addressed with his talk of strengthening local Norwegian administration. New legislation, which became effective the day of his arrival, regulates traffic, aviation, and conservation and gives the Norwegian governor of Svalbard increased authority to deal with aliens who violate local laws.//

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[redacted] //The Soviets have given no indication that they will be any more responsive than they have been in the past to Norway's efforts to secure Soviet compliance.// [redacted]

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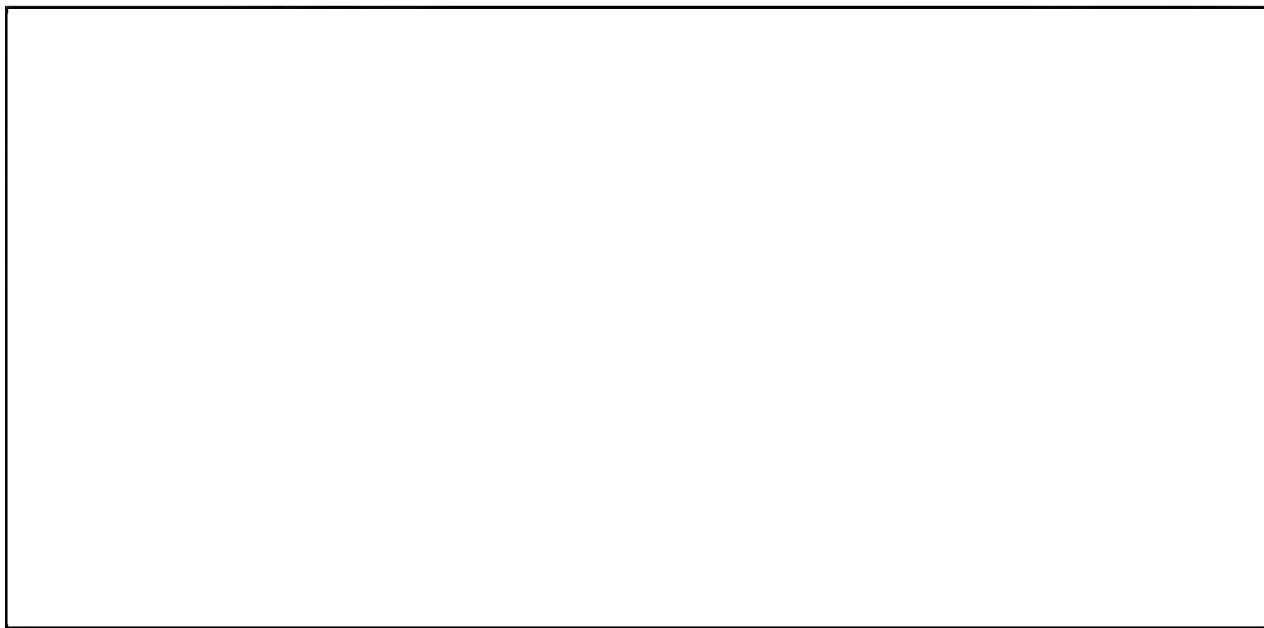
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SOUTH AFRICA: Schools Reopen

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[REDACTED] Schools in Soweto and other black townships that were involved in the extensive rioting last month will reopen today.

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[REDACTED] Last week government authorities said that these schools, situated around Johannesburg and Pretoria, would remain closed for an indefinite period because subversives were preparing to incite students to further violence. The early reversal of this decision apparently resulted from a meeting yesterday between government leaders and the newly formed "committee of 30," which represents school principals and other black officials from the affected townships.

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[REDACTED] Although the townships have remained calm since the rioting in mid-June, the reopening of schools today is something of a gamble. Localized student strikes and racial clashes in several towns east of Johannesburg on Tuesday indicate that some black militants are trying to exploit racial tensions that were heightened by the June riots and subsequent police crackdowns.

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[REDACTED]

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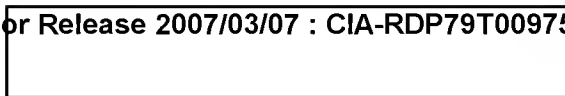
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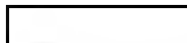


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KUWAIT: PURCHASING US STOCKS

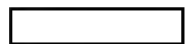
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 Kuwait, in contrast to most members of the Organization of Petroleum Exporting Countries, views investment of its surplus oil revenues abroad as a long-term substitute for oil earnings and as its principal source of income in the future. As a result, investment in US corporate stocks and bonds has increased rapidly.

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 Kuwait invested \$425 million--about 30 percent of its surplus foreign earnings--in US stocks and bonds from January to March 1976. This is double the rate of 1975, when Kuwait placed slightly more than 15 percent of its \$5.7 billion of foreign investment in US corporate securities.

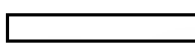
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 The \$425-million Kuwaiti investment was equivalent to about 30 percent of net foreign purchases of US corporate securities in the first quarter of 1976. Finance ministry officials find the US market attractive because of its diversity, security, and growth potential.

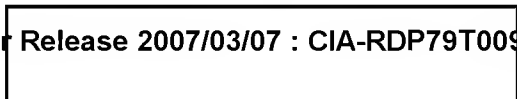
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 Kuwait has shares in 80 US companies, including General Motors, General Electric, Kodak, and Minnesota Mining and Manufacturing. Kuwaiti officials have repeatedly claimed that they have no interest in using their voting power to influence companies' decisions.

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